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Tax burdens improve in Conn., Mass.; R.I. lags behind, study shows

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A study performed by the Rhode Island Public Expenditure Council (RIPEC) and to be released today finds Rhode Islanders pay the seventh highest amount of combined state and local taxes in the country. The state's taxpayers also pay more than Connecticut and Massachusetts residents in total taxes to the state government.

While the neighboring states have made significant progress in taxpayer relief during the last decade, Rhode Island has fallen behind, the study found.

"The report also finds that Rhode Island's relative state and local tax burden has been growing, while it has been declining in Massachusetts and Connecticut," states a release from RIPEC.

Rhode Island's total state and local tax collections increased from \$117.32 per \$1,000 of personal income in 1995 to \$122.68 per \$1,000 of personal income in 2005.

In Massachusetts total state and local tax collections declined from \$112.90 in 1995 to \$107.31 in 2005. In Connecticut, state and local tax collections declined from \$122.64 of personal income in 1995 to \$119.17 per \$1,000 of personal income in 2005.

In an interview Monday, Gary Sasse, RIPEC's executive director, furthered the point.

"That's the whole story, and it summarizes everything in a nutshell," said Sasse of Rhode Island's lack of taxpayer relief progress.

"Our taxes are 8.7 percent above the national average. I don't know what more can be said

than that."

Rhode Islanders need to get their act together, as its neighbors seemingly have, Sasse said.

The study uses state and local government finances compiled by the United States Bureau of Census for fiscal year 2005, the most recent year for which the data is available.

"A lot of the numbers we're reporting have been the same and haven't changed, but this study shows how Rhode Island is falling behind, while its neighbors are making progress."

In 1995, Massachusetts ranked 23rd in combined state and local taxes, Connecticut ranked seventh, and Rhode Island ranked 14th. In 2005, Rhode Island jumped to the seventh highest taxed state in the U.S. while Massachusetts (incorrectly nicknamed "Taxachusetts") ranked 34th, and Connecticut ranked 11th.

"Rhode Island has a spending problem in capital letters," said Sasse.

To make his point, Sasse pointed to more statistics. In the last 10 years, Rhode Island's total budget has increased by 82.7 percent. The average personal income in the state grew by 59.6 percent, and inflation grew by approximately 30 percent.

It doesn't take a math genius, Sasse said, to see that a government which grows by almost triple the rate of inflation is clearly too big.

"We're really getting into a position where if we don't start to control spending, we're not going to be able to sustain our services because as the study shows, Rhode Islanders are already taxed out," he said.